

## **LUXURY & FUEL INEFICIENT SURCHARGE FAQ'S (LFIS)**

### **Under what circumstances does the luxury surcharge apply?**

The surcharge applies to new vehicles whose gross sales/lease price is \$45,000 or more and/or whose average EPA mile per gallon (city and highway) is less than 19 MPG.

### **I purchased a new vehicle which cost \$20,000. Does the surcharge apply?**

If the average EPA mile per gallon is less than 19 MPG, the surcharge applies.

### **To what types of vehicles does the luxury surcharge apply?**

The surcharge applies to new passenger vehicles, light trucks, SUV's or vans that meet the pricing/mileage criteria outlined above.

### **I plan to purchase a used vehicle priced at \$50,000, does the surcharge apply?**

No, the surcharge applies to new vehicles only.

### **How much is the luxury surcharge and how is it calculated?**

The surcharge of 0.4% is applied to the gross sales/lease price of the new vehicle before trade-in, manufacturers' rebates or additional Handicapped Driver Adaptive Equipment.

### **Are there any exemptions to this surcharge?**

The surcharge shall not apply to vehicles with a gross sales/lease price of less than \$45,000 but which exceed a net sales/lease price of \$45,000 due to the addition of Handicapped Driver Adaptive Equipment, provided however, the vehicle's EPA MPG rating is not less than 19.

Vehicles whose gross sales/lease price is equal to or greater than \$45,000 AND has an average EPA MPG rating of over 40. (add both city and highway ratings and divide by 2).

Vehicles certified as a zero emission vehicle by the Commissioner of Environmental Protection.

Vehicles where the purchaser/lessee is a non-resident of New Jersey.